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SENATE BILL 1182

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO TAXATION; ADJUSTING DISTRIBUTIONS TO MUNICIPALITIES  
AND COUNTIES TO OFFSET THE FOOD AND HEALTH CARE PRACTITIONER  
SERVICES DEDUCTIONS IN THE GROSS RECEIPTS TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-1-6.46 NMSA 1978 (being Laws 2004,  
Chapter 116, Section 1, as amended) is amended to read:

"7-1-6.46. DISTRIBUTION TO MUNICIPALITIES--OFFSET FOR  
FOOD DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES  
DEDUCTION.--

A. A distribution pursuant to Section 7-1-6.1 NMSA  
1978 shall be made to a municipality in an amount, subject to  
any increase or decrease made pursuant to Section 7-1-6.15 NMSA  
1978, equal to the sum of:

(1) the total deductions claimed pursuant to

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1 Section 7-9-92 NMSA 1978 for the month by taxpayers from  
2 business locations attributable to the municipality multiplied  
3 by the sum of the combined rate of all municipal local option  
4 gross receipts taxes in effect in the municipality [~~for the~~  
5 ~~month~~] on January 1, 2007 plus one and two hundred twenty-five  
6 thousandths percent; and

7 (2) the total deductions claimed pursuant to  
8 Section 7-9-93 NMSA 1978 for the month by taxpayers from  
9 business locations attributable to the municipality multiplied  
10 by the sum of the combined rate of all municipal local option  
11 gross receipts taxes in effect in the municipality [~~for the~~  
12 ~~month~~] on January 1, 2007 plus one and two hundred twenty-five  
13 thousandths percent.

14 B. The distribution pursuant to Subsection A of  
15 this section is in lieu of revenue that would have been  
16 received by the municipality but for the deductions provided by  
17 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall  
18 be considered gross receipts tax revenue and shall be used by  
19 the municipality in the same manner as gross receipts tax  
20 revenue, including payment of gross receipts tax revenue bonds.

21 C. For the purposes of this section, "business  
22 locations attributable to the municipality" means business  
23 locations:

- 24 (1) within the municipality;  
25 (2) on land owned by the state, commonly known

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1 as the "state fairgrounds", within the exterior boundaries of  
2 the municipality;

3 (3) outside the boundaries of the municipality  
4 on land owned by the municipality; and

5 (4) on an Indian reservation or pueblo grant  
6 in an area that is contiguous to the municipality and in which  
7 the municipality performs services pursuant to a contract  
8 between the municipality and the Indian tribe or Indian pueblo  
9 if:

10 (a) the contract describes an area in  
11 which the municipality is required to perform services and  
12 requires the municipality to perform services that are  
13 substantially the same as the services the municipality  
14 performs for itself; and

15 (b) the governing body of the  
16 municipality has submitted a copy of the contract to the  
17 secretary.

18 D. A distribution pursuant to this section may be  
19 adjusted for a distribution made to a tax increment development  
20 district with respect to a portion of a gross receipts tax  
21 increment dedicated by a municipality pursuant to the Tax  
22 Increment for Development Act."

23 Section 2. Section 7-1-6.47 NMSA 1978 (being Laws 2004,  
24 Chapter 116, Section 2, as amended) is amended to read:

25 "7-1-6.47. DISTRIBUTION TO COUNTIES--OFFSET FOR FOOD  
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1 DEDUCTION AND HEALTH CARE PRACTITIONER SERVICES DEDUCTION.--

2 A. A distribution pursuant to Section 7-1-6.1 NMSA  
3 1978 shall be made to a county in an amount, subject to any  
4 increase or decrease made pursuant to Section 7-1-6.15 NMSA  
5 1978, equal to the sum of:

6 (1) the total deductions claimed pursuant to  
7 Section 7-9-92 NMSA 1978 for the month by taxpayers from  
8 business locations within a municipality in the county  
9 multiplied by the combined rate of all county local option  
10 gross receipts taxes in effect [~~for the month~~] on January 1,  
11 2007 that are imposed throughout the county;

12 (2) the total deductions claimed pursuant to  
13 Section 7-9-92 NMSA 1978 for the month by taxpayers from  
14 business locations in the county but not within a municipality  
15 multiplied by the combined rate of all county local option  
16 gross receipts taxes in effect [~~for the month~~] on January 1,  
17 2007 that are imposed in the county area not within a  
18 municipality;

19 (3) the total deductions claimed pursuant to  
20 Section 7-9-93 NMSA 1978 for the month by taxpayers from  
21 business locations within a municipality in the county  
22 multiplied by the combined rate of all county local option  
23 gross receipts taxes in effect [~~for the month~~] on January 1,  
24 2007 that are imposed throughout the county; and

25 (4) the total deductions claimed pursuant to

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1 Section 7-9-93 NMSA 1978 for the month by taxpayers from  
2 business locations in the county but not within a municipality  
3 multiplied by the combined rate of all county local option  
4 gross receipts taxes in effect [~~for the month~~] on January 1,  
5 2007 that are imposed in the county area not within a  
6 municipality.

7 B. The distribution pursuant to Subsection A of  
8 this section is in lieu of revenue that would have been  
9 received by the county but for the deductions provided by  
10 Sections 7-9-92 and 7-9-93 NMSA 1978. The distribution shall  
11 be considered gross receipts tax revenue and shall be used by  
12 the county in the same manner as gross receipts tax revenue,  
13 including payment of gross receipts tax revenue bonds.

14 C. A distribution pursuant to this section may be  
15 adjusted for a distribution made to a tax increment development  
16 district with respect to a portion of a gross receipts tax  
17 increment dedicated by a county pursuant to the Tax Increment  
18 for Development Act."

19 Section 3. EFFECTIVE DATE.--The effective date of the  
20 provisions of this act is July 1, 2007.

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